

REMARKS

Applicant has carefully studied the Office Action of October 20, 2005 and offers the following remarks to accompany the above amendments.

Initially, Applicant amends the specification to identify properly the applications to which the current application claims priority. No new matter is added, but the ambiguous identifier "USSN Serial No." is simplified to "U.S. Ser. No." This amendment also makes the current application conform to the published version of the application, which uses the "U.S. Ser. No." text even though that is not what was presented in the original application.

Applicant further amends the specification to correct typographical errors and tidy the grammar used in the specification. No new matter is added, but the specification is now better suited for reading.

The specification was objected to for failure to provide a serial number for an incorporated application on page 20. Applicant herein amends the specification to provide the missing serial number. No new matter is added. Applicant requests withdrawal of the objection to the specification at this time.

Claims 1, 3-12, 15-20, and 23-40 were rejected under 35 U.S.C. § 103 as being unpatentable over Kopelman et al. (hereinafter "Kopelman"). Applicant respectfully traverses. For the Patent Office to establish *prima facie* obviousness, the Patent Office must show where each and every element of the claim is shown. MPEP § 2143.03. If the Patent Office is using a single, modified reference to show all the claim elements, the Patent Office must prove that there is a suggestion to modify the single reference. To prove that there is a suggestion to modify the single reference, the Patent Office must do two things. First, the Patent Office must state a motivation to modify the reference, and second, the Patent Office must support the stated motivation with actual evidence. *In re Kotzab*, 271 F.3d 1365, 1370 (Fed. Cir. 2000). If the Patent Office cannot provide actual evidence to support the stated motivation, then the motivation must come from impermissible hindsight, and a rejection based on hindsight is improper.

The Patent Office admits that Kopelman does not teach setting a reseller commission and base the payment to the content owner on the retail price and the set reseller commission. (Office Action of October 20, 2005, page 3, lines 13-14). The Patent Office asserts that the inclusion of this aspect is obvious "because compensating the reseller a set commission for

facilitating the transaction would greatly increase the profitability of the digital marketplace.” (Office Action of October 20, 2005, page 3, lines 19-20). Applicant notes that this asserted motivation to modify Kopelman to include the missing setting a reseller price does not have the actual evidence required by the Federal Circuit. That is, the Patent Office has not provided any proof that the modification would result in greatly increased profitability for the marketplace or that there is a desire for increased profitability for the marketplace. Since the Patent Office has not provided the required proof, the motivation is improper, and the modification is improper. Since Kopelman without modification does not establish obviousness, the rejection is improper, and the claims are allowable.

Even if the modification to Kopelman is proper, a point which Applicant does not concede, the modified Kopelman does not establish obviousness. The independent claims recite a marketplace and a reseller. Content owners post files to the marketplace and define the reseller commission for the file (element a). Other users download the files on the marketplace and become resellers (element b). When another user wishes to purchase the file from the reseller, the other user downloads the file from the reseller (element c). In contrast, Kopelman teaches a marketplace and marketeers, but the marketeers never have possession of the goods that they are selling on behalf of the seller. For example, Kopelman explicitly indicates that the marketeers do not have an inventory at paragraph 0028. Since the marketeers never have any inventory, the buyers cannot download from the marketeers in Kopelman. Thus, the marketeers cannot be the resellers of the claim. Since the marketeers are not the resellers of the claim, and there is no other party within Kopelman that can be construed to be the marketer, Kopelman does not teach or suggest the claim element. In fact, Kopelman's teaching that the marketeers do not have inventory teaches away from the concept of a reseller.

The Patent Office opines that element b is taught by Kopelman paragraph 0020. Applicant traverses this assertion. Paragraph 0020 introduces the concepts of a seller, a marketplace, and an intermediary known as the marketer. However, as explained above, the marketer is not a reseller. The marketer, by Kopelman's own text, merely facilitates the sale and is not a reseller.

Paragraph 0020 also mentions a third party vendor to which the marketer may refer the buyer. It is possible that the Patent Office is construing the third party vendor to be the claim's reseller. However, paragraph 0043 clarifies that the third party is not a reseller either. Rather,

the third party is used in those instances when no seller has listed a product in the marketplace. Thus, these third parties are not resellers either.

If the Patent Office disagrees and maintains that some component of Kopelman is the reseller, Applicant requests that the Patent Office identify with particularity what element of Kopelman (e.g., the marketeer, the seller, etc.) is being construed to be the reseller of the claim. In the absence of such an identification, it is clear that Kopelman does not teach the reselling of the claim.

Independent claims 1, 12, 23, and 33 all recite the resellers discussed above and Kopelman does not teach or suggest this element. Thus, the Patent Office has not established obviousness for any of the independent claims. Applicant requests withdrawal of the § 103 rejection of claims 1, 3-12, 15-20, and 23-40 at this time.

Claims 2, 13, 14, 21, and 22 were rejected under 35 U.S.C. § 103 as being unpatentable over Kopelman in view of Kasriel et al. (hereinafter "Kasriel"). Applicant respectfully traverses. The standards for establishing obviousness are set forth above. Furthermore, to combine references in an obviousness rejection, the Patent Office must prove that there is a suggestion to combine the references. To prove that there is a suggestion to combine the references, the Patent Office must do two things. First, the Patent Office must state a motivation to combine the references, and second, the Patent Office must support the stated motivation with actual evidence. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).

Applicant initially traverses the motivation to combine the references. The Patent Office states that the motivation to combine the references is "by explaining tracking the statistics would allow a user to examine the statistics in order to greatly improve the efficiency of the system." (Office Action of October 20, 2005, page 6, lines 11-13). This asserted motivation lacks any evidence in proof thereof. That is, there is no proof that the combination results in improved efficiency or that there is a desire to improve the efficiency of the system. Since there is no evidence, the combination is improper.

The Patent Office alternatively asserts the motivation to combine the references is "because compensating the reseller a set commission fee for facilitating the transaction would greatly increase the profitability of the digital marketplace." (Office Action of October 20, 2005, page 6, line 19-page 7, line 2). Again, this asserted motivation lacks any evidence in support thereof. That is, there is no proof that the combination results in the increased profitability or

that there is a desire for such in the marketplace. Since there is no evidence, the combination is improper.

Even if the combination is proper, a point Applicant does not concede, the combination does not establish obviousness. As explained above, Kopelman does not teach the reseller of the claim. Nothing in Kasriel cures the deficiencies of Kopelman. Since the references individually do not teach or suggest the element, the combination does not teach or suggest the element, and the combination does not establish obviousness.

Applicant further traverses the rejection of claims 2, 13, and 14 because Kasriel does not teach the element for which it is cited. That is claims 2 and 13 recite monitoring download statistics. The Patent Office admits that Kopelman does not teach this element and relies on Kasriel, col. 4, lines 36-46. Applicant notes that the cited passage does indicate that statistics are available. However, these statistics are **pre-download** statistics, not download statistics as recited in the claim. Kasriel defines pre-download at col. 2, lines 56-59 and that definition makes clear that the statistics in col. 4, lines 36-46 are not download statistics as recited in the claims. Since the references individually do not teach or suggest the claim element, the combination cannot teach or suggest the claim element, and the Patent Office has not established obviousness.

Applicant requests reconsideration of the rejections in light of the remarks presented herein. The references of record do not teach the reseller of the claims. Applicant earnestly solicits claim allowance at the Examiner's earliest convenience.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: January 12, 2006
Attorney Docket: 1104-031

<p align="center"><u>CERTIFICATE OF TRANSMISSION</u></p> <p>I HEREBY CERTIFY THAT THIS DOCUMENT IS BEING TRANSMITTED VIA FACSIMILE ON THE DATE INDICATED BELOW TO:</p> <p>Examiner: <u>Eadev S. Jabr</u> Art Unit: <u>3632</u> Fax: <u>571-273-8300</u></p> <p><u>Michelle Heymann</u> Name of Sender</p> <p><u>Michelle Heymann</u> Signature</p> <p><u>1-12-06</u> Date of Transmission</p>
